European Perceptions of U.S. High-Technology and Defense Strategies since the Final Days of the Cold War: A *Sine Qua Non* Research Agenda?

Strategic Insights, Volume IV, Issue 6 (June 2005)

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Strategic Insights is a monthly electronic journal produced by the Center for Contemporary Conflict at the Naval Postgraduate School in Monterey, California. The views expressed here are those of the author(s) and do not necessarily represent the views of NPS, the Department of Defense, or the U.S. Government.

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Introduction

Relations between the United States and Europe[1] have deteriorated in recent years, and, despite some positive developments in early 2005, they still remain today at their lowest level than at any time since the 1960s. However, transatlantic relations began to change in the early 1980s. They have been subsequently reshaped by economic and technological processes and constrained by political and military factors. At a minimum, it is noteworthy to recall the following developments since the final days of the Cold War:

Resurgent U.S. Leadership

European political and industrial leaders perceived that a new U.S. strategy has emerged since the mid-1980s, searching for a revived leadership and containing Europe's increasing political autonomy. While such a strategy included wide-ranging political, military and economic aspects, a major role in the long-term reorganization of the relations between the United States and Europe was played by the development of new technologies and their applications in the economy as well as in the military.

Europeans assessed that a key element of the U.S. Government strategy has been the attempt to shape the direction of technological development in a way that could set the ground for the economic competition with Europe and allow the United States to use its position of political and military prominence within the Atlantic alliance.[2]

European Subordination

For Europeans, such a U.S. strategy meant, to a large extent, *de facto* technological and political subordination, favored by already existing strict military and political links between the two sides of the Atlantic. European elites considered that U.S. policies would lead the "Old Continent" to renounce choices of greater technological originality, economic growth, and political autonomy.

They feared that Europe would return, just like in the immediate post-World War II period, to be a junior political partner, with an economy lagging behind the United States and dependent on it for key technologies.

In this context, the “trade-defense linkage” was identified by the mid-1990s as an area of great concern in Europe (especially in France and Germany). More precisely, it was assessed that U.S. high-technology preeminence (both in the military and commercial sectors) could become the main external factor in determining Europe’s economic prospects and, thus, its political autonomy in the early 21st century. This did not exclude the possibility (especially after the victory in the Gulf War of 1990-91) that the United States could manage the commercial return on defense investment in such a way that it would increase its influence on the European Union’s ability to promote its own foreign and commercial policy agenda, especially with regard to the Persian Gulf region, the Asian Far East, and South America. It was perceived that the United States was changing the pattern of competition in international politics by translating defense technological superiority into global market share. In this way, it was considered that by indirectly linking trade and security, access to foreign markets could be gained, competitors could be discouraged, and an expansion of global market shares could be achieved.[3]

Losing Export Market Share

The major European countries (France, Germany, Italy, and the UK) lost export market shares to the United States especially during the period from the late 1980s to the late 1990s, not only in civilian high-technology sectors, but in defense sectors as well. Shrinking export markets were associated in the European Union not only with less influence in world affairs but also with a potential competitive decline in the high-technology industries.

Furthermore, Western European political and industrial elites began voicing concern that if the European Union’s industrial and technological autonomy and competitiveness were threatened, Europe’s political sovereignty (the most fundamental of its interests since the end of the Cold War) would be under siege.[4]

Avoiding Military Competition

Post-Cold War levels of U.S. defense spending (especially R&D and procurement) coupled with the vigorous pursuit of the Revolution in Military Affairs (RMA) might have dissuaded the Europeans from engaging the Americans in an “armaments race.” In other words, Europeans did not fully embrace the option of building those military and defense industrial capabilities required for an autonomous military power projection structure and, at the same time, for the ability to provide security to other countries worldwide in competition with the United States[5]

Moreover, despite numerous warnings from the United States during the mid- and late-1990s about the increasing capabilities gap between the transatlantic partners, the “free riding” behavior (inherited from the Cold War years) of most of its European allies continued. The result of these developments was an acute and worrisome capabilities gap inside NATO by the end of the 1990s. The gap has continued to widen in recent years.[7]

Table 1: Total defense spending—United States and Europe (1989-2003)[6]

	1989	1994	% change from 1989	1999	% change from 1989	2003	% change from 1989
United States	$422,133	$334,539	-20.8%	$290,480	-31.2%	$417,363	-1.1%
EU-15	180,319	159,176	-11.7%	153,561	-14.8%	154,909	-14.1%
France	38,807	37,438	-3.5%	34,209	-11.8%	35,030	-9.7%
Germany	38,128	30,214	-20.8%	28,744	-24.6%	27,169	-28.7%
United Kingdom	46,746	40,268	-13.9%	35,171	-24.8%	37,137	-20.6%
Total European "Big Three"	123,681	107,920	-12.7%	98,124	-20.7%	99,336	-19.7%

Non-Military Technology Aspirations

Since the end of the Cold War, Europe struggled to optimally respond to the need to combine the transformation of its high-technology industry with new military technologies in a changing international competitive environment. It appears that European elites (and the European Commission in particular) decided to assign greater priority to high-technology but non-military projects that would also have the ability to either produce "substantial positive political externalities" (i.e., Airbus and Galileo) or to ensure European leadership in world markets such as the UMTS (third generation wireless communications) and T-DAB (terrestrial digital audio broadcasting) ventures.

The European Commission has in general also been seeking to use development programs and standards to the benefit of domestic industry in other areas than defense and aerospace—the GSM mobile telephone system is for example quite a success in that regard.[8]

Toward Dissuasion

In spring 1992, excerpts of a U.S. Department of Defense confidential draft-document known as the "Defense Planning Guidance," were subsequently run in the front pages of both the *New York Times* and *Washington Post*. One of the central arguments advanced by the synopsis was:

Our first objective is to prevent the re-emergence of a new rival. This is a dominant consideration underlying the new regional defense strategy and requires that we endeavor to prevent any hostile power from dominating a region whose resources would, under consolidated control, be sufficient to generate global power. … The U.S. must show the leadership necessary to establish and protect a new order that holds the promise of convincing potential competitors that they need not aspire to a greater role or pursue a more aggressive posture to protect their legitimate interests. … [In] the non-defense areas, we must account sufficiently for the interests of the advanced industrial nations to discourage them from challenging our leadership or seeking to overturn the established political and economic order. Finally, we must maintain the mechanisms for deterring potential competitors from even aspiring to a larger regional or global role.[9]

The same year, Andrew Krepinevich pointed out in a report for the Office of Net Assessment (U.S. Department of Defense):

Do we wish to develop the next generation military capabilities jointly with our allies, or do we hope to maintain some margin of advantage over all other countries? Do we envision coalition warfare in which our friends are as capable as ourselves? Or in which we provide certain kinds of military services or functions that our friends lack? Do we attempt to discourage first-rate military technical competitors by sharing capabilities and winning trust, "lending" capabilities and building dependence, or maintaining superior capabilities and building entry barriers? Will "natural," economic limitations on what our allies can do make these issues moot (by making some advanced capabilities unaffordable to them) or make these issues more delicate (by making their capabilities more clearly dependent on our willingness to share)?[10]

Nine years later, the *2001 U.S. Quadrennial Defense Review* noted:

Through its strategy and actions, the United States influences the nature of future military competitions, channels threats in certain directions, and complicates military planning for potential adversaries in the future. Well targeted strategy and policy can therefore dissuade other countries from initiating future military competitions. The United States can exert such influence through the conduct of its research, development, test, and demonstration programs. It can do so by maintaining or enhancing advantages in key areas of military capability. Given the availability of advanced technology and systems to potential adversaries, dissuasion will also require the United States to experiment with revolutionary operational concepts, capabilities, and organizational arrangements and to encourage the development of a culture within the military that embraces innovation and risk-taking. To have a dissuasive effect, this combination of technical, experimental, and operational activity has to have a clear strategic focus.[11]

However, neither the first Bush (1989-93) nor the Clinton (1993-2001) Administrations articulated the goal of retaining U.S. military preeminence with a doctrine of dissuasion as explicit as set forth by the current U.S. Administration.[12] Against this background, it would be of great interest and relevance to policy-makers and academics on both sides of the Atlantic to examine the following questions:

- How did Europeans perceive high-technology and defense policies promoted in the United States since the final days of the Cold War (the RMA included); and
- How dissuasive an effect did such perceptions have on Europe's acquisition and development of its own military capabilities?

Furthermore, one should investigate whether the policies promoted in the United States were perceived as consciously formulated and deliberately pursued in order to dissuade Western Europe, or if this seemingly dissuasive effect was simply the unintended byproduct of various factors, including U.S. activities and European priorities and budgetary constraints.

Such a research topic raises immediately also the two additional questions:

- First, to what extent, and in what circumstances, is parity or inequality in technological and industrial capabilities a significant factor in the health of a long-term political partnership?

- Second, did European elites, since the end of the Cold War, in their efforts of asymmetric balancing against the United States hegemony, deliberately decided to trade-off military capability for economic competitiveness?

It is obviously artificial to isolate these questions from other factors, including the policies of the governments concerned and the international economic and security environment; but the issues might usefully be raised. The transatlantic relationship has historically (since the late 1940s) been one of inequality in military capabilities. However, future research could advance understanding

regarding the extent to which the degree of parity or inequality in technological and industrial capabilities (in both the military and civilian sectors) has become politically sensitive since the mid-1980s for the transatlantic relationship.

Conclusion

The relevance of such a research agenda is (at least) threefold:

1. First, it scrutinizes the role of high-technology and defense strategies promoted in the United States and Europe since the end of the Cold War in changing the operating parameters of the transatlantic relationship. It may highlight (among other things) the increasingly powerful role played by the European Commission in the process.
2. Second, it enables assessing how severely the current division of labor—with the United States engaged in high-intensity conflict and Europeans taking care of peacekeeping—damages mid- and long-term transatlantic cohesion. Furthermore, it examines in which ways Europeans adjusted to the new transatlantic mechanisms of U.S. global leadership emerging since the end of the Cold War.
3. Finally, the reactions of the European governments, corporations, and the citizens in Europe have been confused and contradictory and seem deeply divided on the key issue of the changing U.S.-European relations. No coherent European response has so far developed, but a number of possible alternatives have already appeared.[13]

Thus, such a research agenda will test the hypothesis that a restructuring of the transatlantic relations, both political and military, is inevitable, already beginning since the early 1990s, to include a reconsideration of NATO and its strategy (e.g., coalition operations) in the new post-9/11 international context.

About the Author

Sorin Lungu defended (March 2005) under the supervision of Dr. Robert Pfaltzgraff, Jr. his Ph.D. dissertation, *European Defense Market Integration: The Aerospace Sector in 1987-1999*, at the Fletcher School of Law and Diplomacy, Tufts University. His research interests and contact information are available online at Fletcher's website. The author is grateful to David Yost for comments on earlier drafts of this essay, though Dr. Yost naturally bears no responsibility for the views expressed.

References

1. The terms “Europe” and “Europeans” employed in this think piece refer collectively to the individual leading nations that made up the European Union during the 1990s as well as to key governmental and industrial decision makers and leading analysts (with particular emphasis on France, Germany, and the European Commission).

2. The “Star Wars” program of the U.S. Strategic Defense Initiative (launched in 1983-84) is perceived by many Europeans as the first symbol of this strategy. Europeans considered that,

within NATO the SDI had the effect of concentrating the control over the development and deployment of weapons in U.S. hands, with a further reduction of the control and autonomy of the European allies. They also perceived that SDI certainly represented an important attempt of the United States to direct the future technological progress towards sophisticated military technologies. This is the area where the United States had a remarkable advantage, putting under pressure the innovative strategies by the other advanced industrialized countries. See, for example, David Yost, "Western Europe and the U.S. Strategic Defense Initiative," *Journal of International Affairs* 41, no. 2 (Summer 1988): 269-323; and, Mario Pianta, *New technologies across the Atlantic: US Leadership or European Autonomy?* (Hertfordshire: Harvester & Wheatsheaf, 1988).

3. See, for example, Yves Boyer, "Technologies, défense et relations transatlantiques," *Politique étrangère* 59, no. 4 (Winter 1994-95): 1006-15; Nichole Chaix, ed., *Economie et sécurité: de l'industrie de défense a l'intelligence économique* (Paris: Fondation pour les Etudes de Defense, 1996); and, Jens van Scherpenberg, "Transatlantic competition and European defence industries: a new look at the trade-defence linkage," *International Affairs* 73, no. 1 (January 1997): 99-122. For an analysis of the changing nature of transatlantic rivalry in the Persian Gulf already emerging by the mid-1990s, see, among other sources, Tom Lansford and Steve Yetiv, "Euro-American rivalry and security in the Persian Gulf," *Defense Analysis* 3, no. 1 (April 1997): 103-17.

4. For data regarding developments in the defense market sector see, for example, data available in: Richard Grimmett, *Conventional Arms Transfers to Developing Nations, 1987-1994* (Washington, DC: Library of Congress, Congressional Research Service, 1995); Richard Grimmett, *Conventional Arms Transfers to Developing Nations, 1994-2001* (Washington, DC: Library of Congress, Congressional Research Service, 2002); and, Richard Grimmett, *Conventional Arms Transfers to Developing Nations, 1996-2003* (Washington, DC: Library of Congress, Congressional Research Service, 2004). For the civilian high-technology sectors a good source is Appendix 6-1 in U.S. National Science Board, *Science and Engineering Indicators – 2002,* NSB-02-1 (Arlington, VA: National Science Foundation, 2002). High technology industries cover in the study's definition aerospace, computers and office machinery, communications equipment, and pharmaceuticals. Finally, see also William Pfaff, "The coming clash of Europe with America," *World Policy Journal* 15, no. 4 (Winter 1998/99); accessed via the *Expanded Academic ASAP* database.

5. Such a statement requires further qualifications especially with regard to France and Germany. While during the 1990s *de facto* there was no strategic debate in Germany concerning the U.S.-promoted RMA, today one has to deal with a strong Defense Minister (Peter Struck) and a *Bundeswehr* that seems to have learned from its own shortcomings in the Balkans and in Afghanistan. SAR-Lupe, AGS, Euro Hawk, etc. reflect, to an extent, a somewhat new approach. However, the political factor remains critical especially in a country like today's Germany. And because the German high-level military bureaucracy still maintains (as everywhere) a great influence, the key questions that should be raised is if the "reformist party" inside the *Bundeswehr* will be able to gain enough influence or not over the transformation process (especially capabilities)? It is also interesting to follow what course of action the industry (EADS Germany) settles for. France, on the other hand, has invested a great deal since the late 1990s in C4ISR and precision strike systems and other capabilities associated with the RMA. Furthermore, especially after 9/11, the French position regarding the U.S. plans for a national missile defense (NMD) seems to undergo a significant change due (in part at least) to the fact the anti-American government's rhetoric seems to head towards a "collision course" with the interests of the French defense industrial sector regarding the NMD.

6. Figures are in millions of U.S. dollars, at constant 2000 prices, and exchange rates are for calendar year. Stockholm International Peace Research Institute (SIPRI) Military Expenditure Database.

7. Probably a more nuanced and accurate analysis would suggest that the United States wanted since the end of the Cold War less "free-riding" European behavior in some capability areas but intended to maintain U.S. superiority in others.

8. See, for example, Johan Lembke, "Strategies, Politics and High Technology in Europe," *Comparative European Politics* 1, no. 3 (November 2003): 253-75; and, Sorin Lungu, "Power, Techno-Economics, and Transatlantic Relations in 1987-1999: The Case of *Airbus Industrie* and Galileo," *Comparative Strategy* 23, no. 4-5 (October/December 2004): 369-89. Finally, consolidation of European industry to resist U.S. competition has not been limited to areas with a defense application, but can be found in the chemical industry and among steel producers as well.

9. See "Excerpts From Pentagon's Plan: 'Prevent the Re-Emergence of a New Rival," *The New York Times,* March 8, 1992; Patrick E. Tyler, "U.S. Strategy Plan Calls for Insuring No Rivals Develop," *The New York Times,* March 8, 1992; Barton Gellman, "Keeping the U.S. First: Pentagon Would Preclude a Rival Superpower," *The Washington Post*, March 11, 1992. In a nearly final draft dated April 16, 1992 the Pentagon dropped language from the February 1992 version of the document advocating the perpetuation of a one-superpower world in which the United States would work to prevent the rise of any "competitors" to its primacy in Western Europe and East Asia. See Patrick Tyler, "Pentagon Drops Goal of Blocking New Superpowers," *The New York Times,* May 24, 1992.

10. Andrew Krepinevich, *The Military-Technical Revolution: A Preliminary Assessment* (Washington, DC: Center for Strategic and Budgetary Assessments, July 1992), 54. The report explores whether or not a major shift of military warfare was underway.

11. U.S. Department of Defense, *Quadrennial Defense Review Report* (Washington, DC: U.S. Department of Defense, September 30, 2001), 12.

12. However, U.S. policy goals associated with preventing future military competition could be found also in statements of high-level officials such as Dick Cheney, Secretary of Defense, *Annual Report to the President and the Congress* (Washington, D.C.: Government Printing Office, January 1993), 3; and, William Perry, Secretary of Defense, *Annual Report to the President and the Congress* (Washington, DC: Government Printing Office, February 1995), 1, 3, 20-21, and 151.

13. Since the mid-1990s, the European industrial and political forces that support a "European superpower" project grew stronger, with a different spectrum in each key European country. In the economic strategy, mercantilist traditions, and habits of control and protection of national markets converged with the technological policy of selecting and protecting "national champions" in each relevant industrial sector. Support for such a strategy came not only from the European corporations, but also from the emerging European transnational companies that were created by the growth of joint military ventures. However, a European project that chooses to compete with the United States in terms of military technology and power would face the only aspect of U.S. policy where its power, rather than declining, has increased since the late 1980s: the realm of technology.